naf Reverse

Tom Jarboe, Regional Sales Manager
NMLS #210600 · (909) 869-6588
tom.jarboe@naf.com



Property Tax Postponement or a reverse mortgage?

QUICK ANSWER

Usually you choose Property Tax Postponement or a reverse mortgage, not both. California law says that if you choose a reverse mortgage, or refinance your home, all the property taxes you postponed become due. HUD's HECM rules also bar a borrower from joining a real estate tax deferral program unless the state's lien comes second to the HECM.

Key points

- **Usually one or the other.** Under state law, choosing a reverse mortgage makes all postponed taxes due, and so does refinancing.
- **Postponed, not canceled.** The state records a lien on your home and adds simple interest of 5% a year to the postponed amounts.
- **Requirements apply.** They include being 62 or older (or blind or disabled), at least 40% equity, and household income under the state's limit.
- **Check the filing window.** The window runs Oct. 1 to Feb. 10 each year, so for 2026-27 that is Oct. 1, 2026 to Feb. 10, 2027.
- **Ask before you decide.** Call the State Controller first, then talk with an independent HUD-approved counselor.

I'm a loan officer, so I only help with the reverse mortgage side. Still, California's own reverse mortgage worksheet lists property tax deferral as an option to consider, and it's fair to look at the state program first.

What the state program does

Here's how I explain it. Property Tax Postponement (PTP) is run by the California State Controller. It postpones your property taxes. It does not cancel them. The state records a lien on your home, and simple interest of 5% a year (not compounded) is added to the amounts postponed from July 1, 2020.

Who qualifies

Requirement	What the law and the program say
Age or disability	62 or older by Dec. 31 of the fiscal year, or blind or disabled
Home	Your owner-occupied principal residence, with a secured tax bill. Condos and manufactured homes assessed as real property can qualify. Trusts can qualify if the Controller finds the state is protected.
Equity	At least 40% equity, met every time you file
If you choose a reverse mortgage	All postponed taxes become due (Gov. Code 16190(f))

Income limit. The law set $45,000 starting July 1, 2020, and the limit is adjusted each year for inflation (Rev. & Tax. Code 20585). The program publishes the new limit each year; check sco.ca.gov or call (800) 952-5661 for the 2026-27 figure.

When to file. You file after Oct. 1 and by Feb. 10 of the fiscal year. If Feb. 10 falls on a weekend or holiday, the deadline moves to the next business day. For 2026-27, that window is Oct. 1, 2026 to Feb. 10, 2027.

To confirm the numbers, open sco.ca.gov or call the program at (800) 952-5661.

When the postponed taxes come due

California law says the postponed taxes, plus interest, become due when:

- you stop living in the home, sell it, transfer it, or die (unless a surviving spouse inherits the home and stays) (Gov. Code 16190(a));
- you let your current property taxes go delinquent (16190(a));
- you refinance the home (16190(e)); or
- you choose a reverse mortgage (16190(f)).

The amounts are secured by a state lien recorded with the county (Gov. Code 16182), and the 5% simple interest is set in Gov. Code 16183. To see how much you'd owe, ask the Controller.

Side by side

	Property Tax Postponement	Reverse mortgage (HECM)
What it is	The state postpones your property taxes	A loan against your home
What it costs	5% simple interest a year (set by state law) on amounts postponed, plus a state lien	Interest, mortgage insurance and fees added to the balance, which grows over time
Age	62 or older, or blind or disabled	62 or older
Taxes	Postponed	You must keep paying property taxes, insurance, HOA dues and upkeep
Repaid when	You move out, sell, transfer, die (unless a surviving spouse inherits and stays), fall behind on current taxes, refinance or choose a reverse mortgage	The last borrower dies, sells or moves out, or the loan terms aren't met

FHA insurance on a HECM protects the lender, not you. New American Funding is not acting for HUD, FHA or any government agency.

If you already have one of them

- **You have a reverse mortgage.** Whether you could also apply for postponement is a question for the Controller. Call (800) 952-5661 before you plan on PTP.
- **You have postponed taxes and are thinking about a reverse mortgage.** Under state law, choosing a reverse mortgage makes all your postponed taxes due, and the 5% simple interest and the state's lien come with them. Refinancing does too. HUD's rules also bar a HECM borrower from joining a tax deferral program or allowing liens unless they come second to the HECM. Ask the Controller what you'd owe before you sign anything.
- **You're worried about future tax bills.** A reverse mortgage can include a set-aside account to pay taxes and insurance. The lender decides if one is required, and it

reduces the money available to you. See the set-aside account.

Do and don't

My advice:

Do

- **Do** call the State Controller about Property Tax Postponement before planning on either option.
- **Do** confirm the 2026-27 income limit and filing window on sco.ca.gov.
- **Do** ask the Controller what your postponed taxes would come to before you choose a reverse mortgage.
- **Do** talk with an independent HUD-approved counselor, who must meet with you before any reverse mortgage anyway.
- **Do** hang up and call your county assessor if someone contacts you about a property tax relief program you don't recognize.

Don’t

- **Don't** assume you can have both Property Tax Postponement and a reverse mortgage.
- **Don't** treat postponed taxes as canceled, because the state records a lien and adds 5% simple interest a year (set by state law).
- **Don't** sign for a reverse mortgage or refinance after postponing taxes without knowing that all the postponed taxes become due.
- **Don't** trust a pitch about a "Form 1098-SR," since a California county tax office (Sonoma County, Aug. 19, 2026) says there is no IRS Form 1098-SR.

A made-up example to show how it works. Your situation will be different.

Example: Dolores and her tax bill

Dolores, 68, lives in Diamond Bar and worries about future property tax bills. She asks a lender about a reverse mortgage. The lender tells her to look at California's Property Tax Postponement first, because she would usually choose one program or the other.

She learns the state postpones taxes rather than canceling them, records a lien, and adds 5% simple interest a year (set by state law). She also learns that if she later chose a reverse mortgage, all the taxes she had postponed would become due.

Whether she qualifies depends on the age, equity and income rules, so no one can guess for her. Dolores calls the State Controller to check the income limit and filing window. She also books a session with an independent HUD-approved counselor, who must meet with her before any reverse mortgage anyway.

The lender tells her the state program is the better fit for some homeowners.

Questions families ask

Can I get Property Tax Postponement if I already have a reverse mortgage?

That's a question for the State Controller, because I haven't seen the Controller's answer for homes that already have a reverse mortgage. Call (800) 952-5661 and ask before you plan on it. What the law does say is that choosing a reverse mortgage makes postponed taxes due.

Can I take out a reverse mortgage after I postpone my taxes?

Be ready to repay everything you postponed. Under California law, choosing a reverse mortgage makes all postponed taxes due (Gov. Code 16190(f)), and refinancing does too (16190(e)). HUD's HECM rules also bar a borrower from joining a tax deferral program or allowing liens unless they come second to the HECM.

Ask the Controller what you'd owe, and talk to a lender before you decide.

Is there interest on the postponed taxes?

Yes. The state adds simple interest of 5% a year (not compounded) to the amounts postponed from July 1, 2020, and records a lien on the home.

When do I have to pay the postponed taxes back?

When you move out, sell or transfer the home, or die (unless a surviving spouse inherits and stays), when you let current taxes go delinquent, when you refinance, or when you choose a reverse mortgage.

Is the "Form 1098-SR" that freezes property taxes real?

No. The Sonoma County Assessor and Tax Collector, a California county tax office, warned on Aug. 19, 2026 that there is no IRS Form 1098-SR, and that false claims about it are targeting seniors. If someone contacts you, hang up and call your county assessor. See protecting a parent from pressure and fraud.

What other ways are there to lower a property tax bill?

Your county assessor can tell you which property tax exemptions and programs apply to you. I can't give tax advice.

Sources (read October 28 to November 2, 2026)

The 2026-27 figures and phone number are as published by county tax offices quoting the program.

- California Government Code section 16190, when postponed taxes are due (subsections (a), (e) and (f)): https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&sectionNum=16190
- California Government Code section 16182, state lien: https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&sectionNum=16182
- California Government Code section 16183, 5% interest: https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&sectionNum=16183
- California Revenue and Taxation Code section 20585, yearly indexing of the income limit: https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=RTC&sectionNum=20585
- California Revenue and Taxation Code sections 20581 to 20622 (Property Tax Postponement): https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=RTC&division=2.&title=&part=10.5.&chapter=2.&article=
- Inyo County Treasurer release (Aug. 18, 2026) quoting the program's 2026-27 household income limit of $57,002: https://www.sierrawave.net/?p=106585
- San Joaquin County Treasurer-Tax Collector, Property Tax Postponement page, quoting the program's filing window (Oct. 1 to Feb. 10), eligibility (62 or older, blind or disabled, 40% equity) and phone (800) 952-5661: https://www.sanjoaquin.gov/department/ttc/tax/secured-taxes/property-tax-postponement
- State Controller, Property Tax Postponement program page: https://www.sco.ca.gov/ardtax_prop_tax_postponement.html
- 24 CFR 206.27(b)(3), no tax deferral liens on a HECM, eCFR: https://www.ecfr.gov/current/title-24/subtitle-B/chapter-II/subchapter-B/part-206
- California Civil Code, Chapter 8, Reverse Mortgages (the section 1923.5 worksheet): https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=CIV&division=3.&title=4.&part=4.&chapter=8.&article=
- Sonoma County Assessor and Tax Collector, warning about false "1098-SR" claims (Aug. 19, 2026): https://sonomacounty.gov/county-assessor-and-tax-collector-warn-of-false-1098-sr-property-tax-claims-targeting-seniors



Talk with me first

I'll answer your questions and tell you plainly if a reverse mortgage isn't the right fit. No pressure.

(909) 869-6588 · tom.jarboe@naf.com

Personal estimate and more free guides: thereverseguide.com. Before you can apply, you'll meet with an independent HUD-approved counselor; it's required.

Tom Jarboe, NMLS #210600, New American Funding, LLC, Company NMLS ID #6606. Branch NMLS #2856926. 20955 Pathfinder Rd, Suite 200, Diamond Bar, CA 91765. Licensed by the Department of Financial Protection and Innovation under the California Residential Mortgage Lending Act. Loans made or arranged pursuant to a California Financing Law license. This guide is not from HUD or FHA and was not approved by HUD, FHA or any government agency. Not a commitment to lend. Equal Housing Lender. More guides at thereverseguide.com.